

STATE OF MICHIGAN
FAMILY INDEPENDENCE AGENCY

MEMORANDUM

To: Jim Beougher, Director
Child and Family Services Administration

Date: October 9, 2001

Jim Nye, Director
Outstate Operations

Jerome Rutland, Director
Wayne County FIA

From: Rita Barker, Director
Office of Internal Audit

Subject: Audit of: Lutheran Social Services of Michigan
Audit Number #2001-123

Lutheran Social Services of Michigan entered into contract numbers CAN-00-80003-2, BA-01-73001, RA-01-63001, YIT-00-33003, RAC-00-82001, RAC-01-41001, RAC-01-63001, FF-00-33001-2, ES-01-82030, CHPR-01-81002, COUN-01-99365 and GUARD-00-82002 with the Michigan Family Independence Agency (FIA). Under the BA contract, Lutheran Social Services of Michigan was to provide a before and after school program including recreation, conflict resolution skills, and homework assistance. Under the CAN contract, they were to provide parent aide services to families at risk. Under the ES contract, they were to provide emergency shelter services for individuals in crisis. Under the FF contract, they were to provide counseling services to families at risk. Under the FMRC, they were to provide clinical and outreach counseling to victims of sexual abuse. The FSS contract required them to provide individual and group money management instruction. The GUARD contract required them to provide legal intervention, including guardianship and representative payees. The CHPR contract required them to provide family team leadership and family team advocacy services to families who have been investigated by FIA protective services. The COUN

contract required them to provide clinical outreach counseling, and the RAC contracts required them to provide targeted assistance services to refugee. The FMRC, CAN, ES and CHPR contracts were reimbursed on the units of service basis, with no maximum number of units established in the agreement but the maximum dollar amount of each contract was established. The Lutheran Social Services of Michigan was reimbursed for units of service provided (FMRC, CAN, ES, CHPR) or for actual cost incurred (BA, RA, RAC, YIT, FF, GUARD) through submissions of monthly billings to FIA. The total amount of all contracts is \$4,645,389 and they cover the period October 1, 2000 through September 30, 2002.

We performed an audit of the billings submitted for reimbursement by Lutheran Social Services of Michigan for the period October 1, 2000 through June 30, 2001. Our audit was conducted in accordance with the Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors. We performed audit tests that we determined were necessary to determine if costs and units charged were proper, accurate, documented and charged in accordance with the terms of the contracts.

Based on our audit, we concluded that the costs and units charged were proper, accurate, documented, and charged in accordance with the terms of the contracts.

In addition, we reviewed client case records and determined that the documentation showed that services were provided in accordance with the terms of the contract.

Please contact me if you have any questions regarding this audit.

c: D. Steele
M. Jasonowicz
A. Shah
C. Osga
M. Mehren
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